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DIARY NOTES

DD/S

13 July 1959

1. At the Senior Staff Meeting:

a. The Director talked about economies in the new fiscal year and, at his invitation, I advised those present that we were going to have to tighten up on our financial property accountability system and that it would be more work for them than it had been in the past. The Director also said that we were opening quite a few new stations in Africa and that we were going to have a different kind of station [REDACTED] (I should like to follow up on this and ascertain exactly what he meant.)

b. Ting Sheldon gave a brief roundup of the world situation.

c. [REDACTED] made a statement concerning domestic cover. The gist of his statement was that it is ridiculous for individuals to try to deny the fact that they work for CIA if they, in fact, do not have a cover problem. He emphasized that this was something which should be taken seriously by each individual, that each individual should decide whether or not he has a problem, and if he does, should work it out with his supervisor who will effect the necessary coordination with the Central Cover Division and the Office of Security. He referred attention to Regulation No. [REDACTED] "Domestic Cover." A different kind of problem involves the making of speeches, publishing articles, etc. Guidance for this is furnished in Regulation No. [REDACTED] "Limitations on Outside Activities." What Dick's statement adds up to is that if you do not have a cover problem then you should openly identify yourself with CIA when necessary. (Take up at next DD/S Staff Meeting.)

d. General Cabell read a paper which emphasized the necessity of intensifying our selection-out program.

e. Larry Houston reported on two recent Supreme Court decisions which affected our security program.

2. [REDACTED] and I lunched with the Director and Mr. Alex Robinson of the National Capital Planning Commission. Mr. Finley, the new Staff Director, was unable to attend and the Director told Mr. Robinson that we would get in touch with Mr. Finley later and have him over sometime for lunch.

3. Mr. Leo Simons from General Bright's office telephoned to ascertain some details in connection with General Cabell's trip [REDACTED] I [REDACTED] this over to [REDACTED]

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25X1A 4. [redacted] telephoned and requested my permission to advise Bobby [redacted] 25X1A6a  
[redacted] a former Agency employee who owns property adjacent to the [redacted] thought 25X1A9a  
[redacted] of the true [redacted] sponsorship. I approved if [redacted] 25X1A6a  
it advisable.

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5. Bob Macy, Bureau of the Budget, telephoned about Mr. Stans' upcoming meeting with the Director on Wednesday, 15 July. He gave me a brief rundown on the information he had furnished Mr. Stans.

6. In view of the fact that Mr. Dulles has, on several occasions recently, expressed his desire to construct a dwelling for the Director of the Agency on our property at Langley, I asked Larry Houston to examine the legality of this. (He reported that he believed the Comptroller General would have every right to question this and that if we were going to construct such a dwelling we should clear it with him as well as with the chairmen of the appropriate committees in the Congress. As a practical matter, however, he felt that Mr. Dulles would get a great deal of adverse publicity and hoped very much that he would not persist in this idea.) H

7. Bob Macy called again about our meeting to discuss "supergrades". I told him that we were ready to meet with him at any time and he said that he would be in touch with me again sometime soon on this matter.

8. Bob Amory buzzed to say that he had discussed the NIS Program with the Director. Bob and Hugh Cummings, Department of State, have recommended a new approach to the Director which would provide that we not produce any new NISs but maintain on a fully current basis those which have already been produced. This would cost at least as much money as we spent in Fiscal Year 1959. (At the Deputies' Meeting on Wednesday, 15 July, the Director indicated that he was not at all satisfied with this arrangement and I assumed that he still intended to push for further reductions. I am not optimistic, however, that at this late date very much will be done about this during Fiscal Year 1960.) H

9. Gordon Stewart and I conducted a meeting with Civil Service Commissioners Lawton and Gunderson, Messrs. Siciliano and Winslow of the White House, and Messrs. Macy and Ecker of the Bureau of the Budget to discuss our "age-in-grade" problem and explore the possibilities of submitting early retirement legislation. In my opinion it was the consensus that before we could clear such a proposal within the Administration we would have to set up the optimum organization and arrive at specific figures as to input and outgo of personnel and then maintain this optimum situation. It is also clear that if we were to seek temporary legislation to relieve the "hump" we would have to submit permanent legislation in the same package. It also seemed to me that in order to relieve the "hump" they would prefer severance pay to an annuity, especially for those employees who have had relatively few years of service. I got a distinct impression that some of this group were suspicious that we might use this to separate substandard employees or that, like the Department of State, even if we had the authority we might not use it. It is clear that Bob Macy did not go along with this proposal unless the strength of our optimum organization were considerably below our present on-duty strength. This also ties into the size of the additional building and, all in all, becomes quite complicated. (See Memorandum For The

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10. At the Deputies' Meeting:

a. The Director reported on his meeting with Senator Hayden last Saturday. Senator Hayden retained a copy of a sheet showing our personnel figures and may show it to Senator Dworshak. He did not retain a copy of our financial figures. (Some time subsequent thereto Senator Hayden telephoned the Director to say that he had talked with Senator Dworshak and felt that he (Senator Dworshak) was somewhat mollified. Senator Hayden also said that he had destroyed the paper showing our personnel statistics.)

25X1A9a      b. With regard to the [REDACTED] Trial [REDACTED] the Director expressed his 25X1A6a  
opinion that the less show of "Americanism" in evidence the better. This had to  
do with a suggestion that we provide an American lawyer, etc. 25X1A6a

25X1A9a      c. With regard to [REDACTED] brother who is currently in [REDACTED]  
the Director said that we should try to get his job back with the National City Bank  
if we can do so without too much difficulty.

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